

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 335 - Motor Vehicle Operation & Regulation (LSB 1106 HV)

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Fiscal Note Version - New

Description

House File 335 makes numerous technical changes relating to the Department of Transportation (DOT), including but not limited to the following:

- Specifies that the owner of a motor vehicle who has been awarded the Legion of Merit is entitled to only one set of Legion of Merit special license plates.
- Provides for the following changes in regard to antique vehicles. The provisions are to take effect July 1, 2008.
 - Changes the current annual vehicle registration fee of \$5 for antique motor vehicles (motor vehicles 25 years old or older), to the same fee charged for older vehicles.
 - Provides for registration of truck tractors and semitrailers as antique vehicles, but prohibits the use of such vehicles to haul loads.
 - Removes the requirement that antique vehicles be driven only for exhibition or education purposes. As under current law, the owner of an antique motor vehicle may furnish and display model-year registration plates for the vehicle, provided that the current and valid Iowa plates and registration card are carried within the vehicle.
 - A person convicted of violating the provisions pertaining to antique vehicles is guilty of a simple misdemeanor punishable by a fine of \$30.
- Makes the following changes for certain implements of husbandry that are used for the application of fertilizers and that exceed axle weight limits when unloaded. The provisions are to take effect upon enactment.
 - Requires the owners of such vehicles to apply for a permit from the DOT for an annual fee of \$600 for each county in which the vehicle will be operated, up to a maximum of \$3,500 annually. The fees collected are to be equally distributed to those counties and deposited in the Secondary Road Fund of the counties.
 - Provides that the permits will be issued annually between July 1 and June 30. Only vehicles purchased or ordered before March 1, 2007, are eligible for permits, which must be obtained prior to July 1, 2007.
 - The owner of a vehicle that is operated without a permit is subject to a civil penalty of \$10,000, in addition to other penalties that may apply.
- Repeals the 2006 Iowa Acts, Chapter 1070, Section 5, which would have changed from 45 days to 60 days, the period of time a vehicle could be driven without registration plates if a card displaying a "registration applied for" is attached to the vehicle. This takes effect upon enactment.
- Provides that tax revenues collected by a county treasurer from a regional transit district levy be held by the county treasurer.

Background

Under current law, the total fees collected from the registration of motor vehicles are deposited in the Road Use Tax Fund. County treasurers, however, retain 4.0% of the total amount collected from each annual or semiannual vehicle registration and each duplicate registration card or plate issued for deposit into the county general fund.

Assumptions

Antique Vehicles

- There are an estimated 464,500 motor vehicles that qualify to be registered as an antique; however, an estimated 7,300 are actually registered. This analysis assumes that the current number of vehicles that qualify but are not registered as an antique, and the current number that are actually registered as an antique, will be registered in the same manner. The remaining 457,200 vehicles will be unaffected by the proposed legislation.
- The estimated number of registered antique motor vehicles by type are as follows:
 - Automobiles 25 years of age and older: 4,400
 - Multipurpose vehicles: 100
 - Trucks, truck tractors, road tractors, semitrailers, and special trucks for farm use: 2,700
 - Class A Motorhomes (includes buses): 11
 - Class B Motorhomes: 2
 - Class C Motorhomes: 5
 - Motorcycles: 100
 - Mopeds: 2
- The registration fee for an antique vehicle will be based on either weight and value or a flat fee. The estimated annual fees will be as follows:
 - Automobiles: 1.0% of the value plus 40 cents for each 100 pounds.
 - Multipurpose vehicles: \$55.
 - Trucks, truck tractors, road tractors, and semitrailers: A flat fee based on age and weight. The fees range from \$35 for a truck that weighs three tons or less and is more than 15 model years old, to an estimated \$1,700 or more for a truck, regardless of age, exceeding 40 tons.
 - Special trucks for farm use: A flat fee based on gross weight. The fees range from \$80 to more than \$400, regardless of age.
 - Class A, B, and C motorhomes:
 - Class A: A flat fee based on list price and age, ranging from \$65 to \$300. The list price of these vehicles is unknown, and therefore, the proposed registration fees cannot be determined. This analysis assumes an annual fee of \$100 for all Class A vehicles.
 - Class B: \$65
 - Class C: \$80
 - Motorcycles: \$10
 - Motorized bicycles (mopeds): \$7
- The 2,700 antique trucks, truck tractors, road tractors, semitrailers, and special trucks for farm use cannot be distinguished by type. This analysis assumes all such vehicles are trucks, truck tractors, road tractors, or semitrailers. In addition, the weight of each vehicle type is unknown. For estimating purposes, it is assumed that 75.0% have a combined gross weight of three tons or less, 10.0% between three and four tons, 10.0% between four and five tons, and 5.0% between five and six tons.

Implements of Husbandry

The estimated number of implements of husbandry currently used for the application of fertilizers and that exceed axle weight limits is 85. The number of counties for which such vehicles will be operated and for which a \$600 fee is required is unknown. Also unknown is the number that will be eligible for permits and the number that may be subject to a civil penalty.

Fiscal Impact

Antique Vehicles

The estimated fiscal impact of HF 335 is an increase of \$170,000 (96.0%) to the Road Use Tax Fund and an estimated increase of \$7,000 (4.0%) to the general fund of counties.

The amount of revenue generated from the \$30 scheduled fine cannot be determined, as the number of violations that will occur is unknown. The revenue generated from fines is anticipated to be minimal.

The following table shows the estimated total number of currently registered antique motor vehicles, the estimated current and proposed revenues collected, and the estimated increase in revenues under the proposed law.

House File 335 Current Law vs. Proposed Law							
Antique Vehicle Type	No. Registered	Current	Proposed		Difference	Estimated Increase	
		Total Collected Annually (\$5 Fee)	Reg. Fee	Total Collected Annually	Total Collected Annually	Road Use Tax Fund	Counties' General Fund
Automobiles 1982 - 1970	600	\$ 3,000	\$ 23	\$ 13,800	\$ 10,800	\$ 10,368	\$ 432
Automobiles 1969 & Older	3,800	19,000	16	60,800	41,800	40,128	1,672
Multipurpose	100	500	55	5,500	5,000	4,800	200
Trucks*							
3 Tons or Less (75.0%)	2,025	10,125	35	70,875	60,750	58,320	2,430
3 - 4 Tons (10.0%)	270	1,350	80	21,600	20,250	19,440	810
4 - 5 Tons (10.0%)	270	1,350	90	24,300	22,950	22,032	918
5 - 6 Tons (5.0%)	135	675	105	14,175	13,500	12,960	540
Class A Motorhomes**	11	55	100	1,100	1,045	1,003	42
Class B Motorhomes	2	10	65	130	120	115	5
Class C Motorhomes	5	25	80	400	375	360	15
Motorcycles	100	500	10	1,000	500	480	20
Mopeds	2	10	7	14	4	4	0
Totals	7,318	\$ 36,590		\$ 213,680	\$ 177,090	\$ 170,006	\$ 7,084

* Includes trucks, truck tractors, road tractors, semitrailers, and special trucks for farm use.

** Includes buses.

Implements of Husbandry

The estimated fiscal impact of the amount that will be generated from the \$600 permit fee cannot be determined since the number of vehicles that will be eligible for permits and the number of counties for which the vehicles will be operated is unknown. Assuming all of the current 85 vehicles qualify for an annual permit to operate one vehicle per each of the 99 counties, the estimated fiscal impact is \$51,000 annually, which would be deposited into the Secondary Road Fund of the counties.

The amount of revenue generated from the \$10,000 civil penalty cannot be determined, as the number of violations that will occur is unknown.

Sources

Department of Transportation

Department of Human Rights (Criminal and Juvenile Justice Planning)

/s/ Holly M. Lyons

February 19, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
